



# County of Los Angeles CHIEF ADMINISTRATIVE OFFICE

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Board of Supervisors  
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First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

December 12, 2006

To: Supervisor Zev Yaroslavsky, Chairman  
Supervisor Gloria Molina  
Supervisor Yvonne B. Burke  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: David E. Janssen  
Chief Administrative Officer

## WASHINGTON, D.C. UPDATE

The 109th Congress adjourned on December 9, 2006 without completing action on many major bills, including immigration reform, telecommunications reform, Workforce Investment Act, and Water Resources Development Act reauthorization bills. None of the Federal Fiscal Year (FFY) 2007 appropriations bills have been enacted except for those which fund the Departments of Defense and Homeland Security. All other Federal programs and activities are being funded through February 15, 2007 under a Continuing Resolution (H. J. Res. 102), which Congress cleared and the President signed into law on December 9, 2006. The Democratic leaders for the 110th Congress, which will convene on January 4, 2007, indicate that they plan to use a single joint resolution to fund the Federal government through the end of FFY 2007 rather than to pass each of the remaining nine FFY 2007 appropriations bills. Senator Byrd (D-WV) and Representative Obey (D-WI), who will chair the Senate and House Appropriations Committees, also indicate that they will not include any Congressional earmarks in the year-long joint funding resolution.

Before adjourning last week, Congress cleared a number of bills of County interest, which the President will sign into law:

### Ryan White CARE Act Reauthorization (H.R. 6143)

H.R. 6143, which reauthorizes the Ryan White CARE Act for three years through Federal Fiscal Year (FFY) 2009, includes language which enables states, such as California, to use HIV data collected through their code-based HIV reporting systems while they convert to a names-based reporting system. Without this statutory change,

the Health Resources and Services Administration had indicated that, beginning in FFY 2007, it would count only names-based HIV data in determining the allocation of CARE Act funds. Other major provisions in the bill include:

- Authorizing \$604 million in FFY 2007, \$626 million in FFY 2008, and \$649.5 million in FFY 2009 for Title I Emergency Relief grants to eligible metropolitan areas (EMAs), such as the County;
- Increasing the proportion of total Title I appropriations that are allocated by formula from one half to two-thirds with the balance being allocated through competitive supplemental grants;
- Including a hold-harmless provision to guarantee that each EMA will receive no less than 95 percent of its FFY 2006 formula grant allotment;
- Requiring that no less than 75 percent of Title I grant funds be spent on core medical services; and
- Authorizing \$1.2 billion in FFYs 2007 and 2008 and \$1.3 billion in Title II Comprehensive Care grants to states.

Both the previous Senate and House versions would have reauthorized CARE Act programs for five years. The final bill also includes a sunset clause, repealing all of the CARE Act provisions at the end of the three-year reauthorization period, which signals that Congress will consider major changes to AIDS/HIV programs when the CARE Act expires.

### **Medicaid**

Congress cleared H.R. 6111, a comprehensive tax, trade, and health package. Press reports on the bill have focused on its provisions to extend a number of popular expiring tax breaks, such as the college tuition tax deduction, new off-shore drilling in the Gulf of Mexico, and a delay of one year for a scheduled reduction in Medicare physician payments. The bill, however, also includes a few Medicaid provisions of County interest:

**Medicaid Citizenship Documentation Requirements:** The bill specifically exempts foster children, Supplemental Security Income, Disability Insurance, and Medicare recipients from the new Medicaid citizenship documentation requirements in Section 6036 of the Deficit Reduction Act (DRA) of 1995 (Public Law 109-163). It also requires State and local foster care agencies to have in effect procedures for verifying the citizenship or immigration status of children in foster care under the Title IV-B Child

Welfare Services and Title IV-E Foster Care and Adoption Assistance programs. The County and other state and local governments had argued that the DRA's Medicaid citizenship documentation requirements had been misinterpreted by the Centers for Medicare and Medicaid Services (CMS) as applying to children who are eligible for Medicaid by virtue of being Title IV-E recipients. All states, including California, have existing procedures in place for verifying immigration and citizenship status for purposes of determining eligibility under Title IV-E.

**Transitional Medicaid Assistance (TMA):** It extends the TMA program, which provides Medicaid benefits to families who left welfare for work, through June 30, 2007. This program, otherwise, would expire at the end of the year.

**Provider Taxes:** The bill phases down the current maximum rate for provider taxes used to finance the non-Federal share of Medicaid costs from 6 percent to 5.5 percent from January 1, 2008 through September 30, 2011. This provision, in effect, prevents the Bush Administration from administratively implementing, by regulation, its budget proposal to reduce the maximum allowable provider tax rate to 3 percent.

The County, along with many other state and local governments and health care providers, unsuccessfully sought to include language in the bill to prevent the Administration from issuing a regulation to cap Medicaid payments to government providers to no more than the cost of providing services to Medicaid providers, as proposed in the President's Budget. This budget proposal, if implemented, would reduce the County's annual Medicaid revenue by an estimated \$200 million.

### **Pandemic and All-Hazards Preparedness Act**

Last week, Congress cleared S. 3678, the Pandemic and All-Hazards Preparedness Act, which reauthorizes the Bioterrorism Preparedness Act of 2002 for five years, designates the Secretary of Health and Human Services (HHS) as the lead Federal official for public health and medical response to emergencies, seeks to improve state and local public health preparedness and response, and enhance all-hazards medical surge capacity. The County receives direct bioterrorism public health and hospital preparedness grants that are authorized by the Bioterrorism Preparedness Act.

### **State Children's Health Insurance Program**

Congress added State Children's Health Insurance Program (SCHIP) provisions to the National Institutes of Health (NIH) reform bill (H.R. 6164) before clearing it for the President's signature. SCHIP is implemented through the Healthy Families Program in California. The bill's SCHIP provisions are intended to ensure that no state will run short of SCHIP funds before May 4, 2007. There are 14 states, a group which does not include California, with projected SCHIP funding shortfalls in FFY 2007. The bill would

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reallocate \$146 million in expiring FFY 2004 SCHIP funds to states which otherwise would have shortfalls from states which did not spend their entire SCHIP funds within the three-year statutory time limit. It also would reallocate up to \$20 million in unexpended FFY 2005 funds from any state which, as of March 31, 2007, has more than twice the total amount of SCHIP funds that it needs to meet its projected funding needs. The bill did not appropriate any additional funds to address the SCHIP funding shortfalls.

SCHIP is up for reauthorization next year, and both the overall SCHIP funding levels and SCHIP allocation formula will be major reauthorization issues. Historically, California has been one of the states that have been unable to spend its entire annual SCHIP allotments within the three-year time limit. However, California's annual expenditures have increased to the point where annual SCHIP expenditures are projected to match its total annual allotment.

#### **Los Angeles County Congressional Delegation**

An updated roster of the County's Congressional delegation for the 110th Congress is attached for your information.

We will continue to keep you advised.

DEJ:GK  
MAL:MT:hg

Attachment

c: All Department Heads  
Legislative Strategist

**LOS ANGELES CONGRESSIONAL DELEGATION**

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